

PURCHASE POWER AGREEMENT

between

DUKE ENERGY PROGRESS, LLC

and

SELLER NAME

“Facility Name” Project

Contract Number: _____

Contract Date: _____

Initial Delivery Date: _____

**PURCHASE POWER AGREEMENT BY A
QUALIFYING COGENERATOR OR SMALL POWER PRODUCER**

1 **THIS PURCHASE POWER AGREEMENT** ("Agreement") is made this _____ day
2 of _____, 20____, by and between

3
4
5 **DUKE ENERGY PROGRESS, LLC**
6 a South Carolina Limited Liability Company ("Company"),

7
8 and

9
10 _____,
11
12 a(n) [*insert place of formation* _____] [*insert entity type* _____] ("Seller"), for the

13
14 " _____," Project

15
16 Seller hereby certifies that the Facility, as defined below, (is/is not) "new capacity", as defined by the
17 Federal Energy Regulatory Commission ("FERC"), and that construction of the Facility (was/was not)
18 commenced on or after November 9, 1978, and that the Facility is or will be a qualifying facility as
19 defined by the Federal Energy Regulatory Commission ("FERC") pursuant to Section 210 of the
20 Public Utility Regulatory Policies Act of 1978. The Facility as defined herein (the "Facility") shall
21 consist of that certain [*insert description of the Facility including fuel type and Nameplate Capacity*
22 *rating in AC and DC*] [*where applicable, identify any Storage Resource connected to or incorporated*
23 *into the Facility along with the Storage Resource's capacity (MW and MWh)*] which is located at
24 [*insert facility address*].
25

26 (Hereinafter, the parties are also referred to individually as "Party" and collectively as "Parties").

27
28 In consideration of the mutual covenants herein contained, the Parties hereto, for themselves, their
29 successors and assigns, do hereby agree to the following:

30
31 **1. Service Requirements**

32
33 1.1 Seller shall sell and deliver exclusively to Company all of the electric power generated by the
34 Facility, net of the Facility's own auxiliary electrical requirements and Company shall purchase,
35 receive, use and pay for the same, subject to the conditions contained in this Agreement. Upon the
36 completion of the installation, by Company, of its system upgrades and interconnection facilities
37 at the point of delivery of Seller's and Company's conductors, Seller shall become responsible for
38 the payment to Company of any and all charges that may apply, whether or not Seller actually
39 delivers any electricity to Company. If Seller requests retail electric service for the Facility's
40 auxiliary electrical requirements from Company when Seller's generation is reduced, such power
41 shall be provided to Supplier pursuant to a separate electric service agreement under Company's
42 rate tariffs appropriate for such service.
43

44 1.2 Electricity supplied by Seller shall be [*single (1)/three (3)*] phase, alternating at a frequency of
45 approximately sixty (60) cycles, and at a delivery voltage of approximately _____ volts,

____ wires at a sufficient power factor to maintain system operating parameters as specified by Company.

- 1.3 Delivery of said Seller's power shall be at a point of delivery described as follows:

_____.

- 1.4 The Contract Capacity of the Facility, as defined in the Terms and Conditions for the Purchase of Electric Power is _____ AC kW/MW. The estimated annual energy production of the Facility is _____ kWh.

2. **Rate Schedule**

The sale, delivery, and use of electric power hereunder, and all services of whatever type to be rendered or performed in connection therewith, shall in all respects be subject to and in accordance with all the terms and conditions of Company's Purchased Power Schedule PP-____ [*Variable Rate*][*5-year Fixed Long-Term Rate*], [*10-year Fixed Long-Term Rate*] for [*Distribution*][*Transmission*] Interconnection] ("Rate Schedule") and the Terms and Conditions for the Purchase of Electric Power, both of which are now on file with the Public Service Commission of South Carolina, ("Commission") and are hereby incorporated by reference and made a part hereof as though fully set forth herein. Said Rate Schedule and Terms and Conditions for the Purchase of Electric Power are subject to change, revision, alteration or substitution, either in whole or in part, upon order of said Commission or any other regulatory authority having jurisdiction, and any such change, revision, alteration or substitution shall immediately be made a part hereof as though fully written herein, and shall nullify any prior provision in conflict therewith.

The language above beginning with "Said Rate Schedule" shall not apply to the Fixed Long-Term Rates themselves, or the Integration Services Charge, but it shall apply to all other provisions of the Rate Schedule and Terms and Conditions for the Purchase of Electric Power, including but not limited to Variable Rates, other types of charges (e.g., administrative charges), and all non-rate provisions.

3. **Initial Delivery Date**

The term of this Agreement shall be a minimum of 5 years when contracting for capacity payments and shall begin upon the first date when energy is generated by the Facility and delivered to Company and continuing for the term specified in the Rate Schedule paragraph above and shall automatically extend thereafter at the as available rate unless terminated by either party by giving not less than thirty (30) days prior written notice. The term shall be for ____ years and shall begin no earlier than the date Company's Interconnection Facilities are installed and are ready to accept electricity from Seller which is requested to be _____. Company at its sole discretion may terminate this Agreement on July 2, 2022 (30 months following the date of the order initially approving the rates selection shown above which may be extended beyond 30 months if (i) construction is nearly complete and Seller demonstrates that it is making a good faith effort to complete its project in a timely manner, or (ii) where Seller's failure to begin delivery of power is due to Company's delays in completing interconnection facilities or system upgrades by the in-service date specified in the interconnection agreement between Seller and Company, Seller shall be given day-for-day extensions on its in-service date for any delays attributable to the in-service date of these interconnection facilities or system upgrades) if Seller is unable to provide generation capacity and energy production consistent with the energy production levels specified in Provision No. 1.4 above. This date may be extended by upon mutual agreement by both parties.

95 **4. Interconnection Facilities**

96 Unless otherwise required by Company, an Interconnection Agreement pursuant to the South
 97 Carolina Generator Interconnection Procedures, Forms, and Agreements for State-Jurisdictional
 98 Interconnections (Interconnection Standard) shall be executed by Seller, including payments of all
 99 charges and fees associated with the interconnection, before Company will accept this Agreement.
 100 *(Either sentence (a) or (b) as follows is inserted into the agreement as appropriate)* (a) The
 101 Interconnection Facilities Charge shall be specified in the Interconnection Agreement, or (b) The
 102 Interconnection Facilities Charge shall be 1.0% of the installed cost of metering equipment and is
 103 \$_____ per month.

104
 105 **5. Energy Storage**

106 If the Facility is to be equipped with battery storage or other energy storage device (the "Storage
 107 Resource"), the Storage Resource shall be identified in this Agreement. In all cases, the Storage
 108 Resource must be charged solely by the Facility and the use of any Storage Resource shall be
 109 operated and equipped in accordance with the system operator's Energy Storage Protocol, a copy
 110 of which is attached hereto as Exhibit A, as may be modified from time to time by the system
 111 operator (the "Energy Storage Protocol").

112
 113 **6. Reporting Requirements**

114 Upon request, Seller may be required to provide prior notice of annual, monthly, and day-ahead
 115 forecast of hourly production, as specified by Company. If Seller is required to notify Company
 116 of planned or unplanned outages, notification should be made as soon as known. Seller shall
 117 include the start time, the time for return to service, the amount of unavailable capacity, and the
 118 reason for the outage.

119
 120 Upon the execution by Company and Seller in the block provided below, this Agreement together with
 121 attachments shall become an agreement for Seller to deliver and sell to Company and for Company to
 122 receive and purchase from Seller the electricity generated and delivered to Company by Seller from the
 123 above described qualifying generating facility at the rates, in the quantities, for the term, and upon the
 124 terms and conditions set forth herein.

Witness as to Seller:

_____	_____, Seller
Printed: _____	By _____
Printed: _____	Printed: _____
	Title _____
	This _____ day of _____, 20_____

ACCEPTED: DUKE ENERGY PROGRESS, LLC

Mail Payment/Bill to:

By _____	_____
Title _____	_____
This _____ day of _____, 20_____	_____

Exhibit A
Energy Storage Protocol For Schedule PP Sellers

1. The Storage Resource must be on the DC side of the inverter and charged exclusively by the Facility.
2. The Storage Resource will be controlled by the Seller, within operational limitations described below.
3. The maximum output of the Facility, including any storage capability, at any given time shall be limited to the Facility's Contract Capacity as specified in the Agreement.
4. The discharge of stored energy is not permitted while the Facility has received or is subject to a curtailment instruction (i.e., System Operator Instruction) from the system operator.
5. Ramp rates for Storage Resource shall not exceed 10 percent of the Storage Resource's capacity (MW) on a per minute basis, up or down.
6. Scheduling for capturing peak pricing periods and other storage limitations:
 - a. For all (winter and summer) months/days with capacity rate hours ("Capacity Hours"), the Seller shall distribute any discharge of the storage device in a manner that levelizes (holds constant), on an expected basis, the total output of the Facility (combined output of solar generator and storage device) at the highest practical level over the duration of the Capacity Hours of such calendar day, except as limited by ramp rate criteria, inverter capability, and the Facility's Contract Capacity as specified in the Agreement.
 - i. For any storage discharge occurring on weekends and holidays where only Off-Peak energy rates apply, the Seller shall apply the same discharge logic (same hours for any desired discharge) that is applied to Weekdays/non-Holidays, for the respective month.
 - b. For the remaining (shoulder) months without Capacity Hour windows, the Seller shall distribute any discharge of the storage device in a way that levelizes (holds constant), on an expected basis, the total output of the Facility (combined output of solar generator and storage device) at the highest practical level during the full am on-peak energy period and/or full pm on-peak energy period of the Seller's discretion, except as limited by ramp rate criteria, inverter capability, and the Facility's Contract Capacity as specified in the Agreement.
7. Company reserves the right to add or modify operating restrictions specified in these Energy Storage Protocols to the extent necessary to comply with NERC Standards as such standards may be modified from time to time during the Term. Any such modification shall be implemented by Company in a Commercially Reasonable Manner and shall be applied to the Facility and Company's own generating assets on a non-discriminatory basis. If Seller can make a commercially reasonable demonstration to Company, which is approved by Company in its reasonable discretion, that the Facility does not contribute to potential NERC compliance violations for which the modifications have been implemented, then such modifications shall not apply to the Facility.
8. If identification of Capacity Hours changes over the course of the term of the Agreement, Seller will make Commercially Reasonable Efforts to work with Company to adjust the hours of charging/discharging to coincide with these updated hours. However, Seller shall not be obligated to do so in a way that compromises their original economic value contemplated for storage resource.

9. Seller will only be compensated for Energy and Capacity actually provided to Buyer in accordance with the terms of the Agreement.

Notes:

Other capitalized terms used in this Exhibit which have not been defined herein shall have the meaning ascribed to such terms in the Agreement to which this exhibit is attached.